

Office of the  
Legislative Fiscal Analyst

## **FY 2002 Budget Recommendations**

Joint Appropriations Subcommittee for  
Public Education

Utah State Office of Education  
**School Building Program**

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## 1.0 School Building Programs

**Recommendation** The Analyst's recommendation for the Capital Outlay Foundation Program is \$28,358,000. The funding recommendation is all from the Uniform School Fund for FY 2002. The emergency school building needs program by statute will end at the close of FY 2001 and the \$5,671,600 that has been allocated to it reverts to the regular Capital Outlay Foundation Program.

**Summary** For a number of years the Critical School Building Aid Program was funded at a level of \$6,458,000. With the implementation of the new Capital Equalization Program by the 1992 Legislature additional state funds (Uniform School Fund) have been appropriated under provisions of that law. Senate Bill 1 enacted during the 1993 First Special Session called for a continuing commitment of increasing state dollars to both programs. That statutory commitment reached \$28,358,000 in on going funding in FY 1999.

The 1996 Legislature passed Senate Bill 46, "Capital Outlay Amendments," which rewrote the statutes for school building aid programs. This act established the Capital Outlay foundation program that included an emergency school building needs program through June 30, 2001. The act provided for 20 percent of the funds appropriated for the capital outlay foundation program to be used in an emergency school building needs program. The total current year appropriation is \$29,358,000. These funds are provided solely for school district capital outlay and debt service purposes.

The 1996 act also provided for a school building revolving account to provide loans to school districts under criteria as specified.

The statutes for the Capital Outlay Foundation Program are as follows:

53A-21-102. Capital outlay foundation program -- Loan Program.

(1) There is established a capital outlay foundation program, which shall include an emergency school building needs program through June 30, 2001, to provide revenues to school districts for the purposes of capital outlay bonding, construction, and renovation.

(2) There is established a capital outlay loan program to provide short-term help to school districts to meet district needs for school building construction and renovation.

(3) School districts shall use the monies provided to them under the foundation and loan programs solely for school district capital outlay and debt service purposes.

Repealed and Re-enacted by Chapter 326, 1996 General Session

53A-21-103. Qualifications for participation in the foundation program -- Distribution of monies -- Distribution formulas.

(1) In order for a school district to qualify for monies under the capital outlay foundation program established in Subsection 53A-21-102(1), a local school board must levy a tax rate of up to .0024 per dollar of taxable value for capital outlay and debt service.

(2) (a) The State Board of Education shall adopt a rule in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, that allows a school district levying less than the full .0024 tax rate to receive proportional funding under the foundation program based upon the percentage of the .0024 tax rate levied by the district.

(b) The rules may include hold harmless provisions for up to two years.

(3) (a) Through June 30, 2001, 20% of the monies in the capital outlay foundation program shall be used in an emergency school building needs program.

(b) Beginning July 1, 2001, the emergency school building needs program shall be terminated and the monies otherwise spent in that program shall be used for the general purposes of the capital outlay foundation program.

(4) The State Board of Education shall distribute monies in the capital outlay foundation program and the emergency school building needs program in accordance with formulas developed by the state superintendent of public instruction.

(a) The board shall distribute capital outlay foundation monies on the basis of a minimum guarantee per average daily membership as computed by the state superintendent of public instruction using:

(i) available monies; and (ii) the assessed valuation per average daily membership in each school district.

(b) The formula for the emergency school building needs distribution shall include the following components:

(i) a school district's ability to raise money for school building needs as related to the assessed valuation per student for real property within the school district;

(ii) need as reflected by:

(A) the current number of students in the school district who are in alternative housing; and

(B) growth, both within the district and compared to the state as a whole; and

(iii) the school district's effort to raise money based on:

(A) the district's total tax rate; and

(B) the district's bond and bond interest payments compared to its ability to raise revenue.

Amended by Chapter 129, 1999 General Session

53A-21-104. School Building Revolving Account -- Access to the account.

(1) There is created a nonlapsing "School Building Revolving Account" administered within the Uniform School Fund by the state superintendent of public instruction in accordance with rules adopted by the State Board of Education.

(2) Monies received by a school district from the School Building Revolving Account may not exceed the district's bonding limit minus its outstanding bonds.

(3) In order to receive monies from the account, a school district must do the following:

(a) levy a tax of at least .0024 for capital outlay and debt service;

(b) contract with the state superintendent of public instruction to repay the monies, with interest at a rate established by the state superintendent, within five years of their receipt, using future state building monies or local revenues or both;

(c) levy sufficient ad valorem taxes under Section 11-14-19 to guarantee annual loan repayments, unless the state superintendent of public instruction alters the payment schedule to improve a hardship situation; and

(d) meet any other condition established by the State Board of Education pertinent to the loan.

(4) (a) The state superintendent shall establish a committee, including representatives from state and local education entities, to:

(i) review requests for loans under this section; and

(ii) make recommendations regarding approval or disapproval of the loan applications to the state superintendent.

(b) If the committee recommends approval of a loan application under Subsection (4)(a)(ii), the committee's recommendation shall include:

(i) the recommended amount of the loan;

(ii) the payback schedule; and

(iii) the interest rate to be charged.

Repealed and Re-enacted by Chapter 326, 1996 General Session

53A-21-105. State contribution to capital outlay programs.

The state contribution toward the cost of the programs established under Section 53A-21-102 for the fiscal year beginning July 1, 2000, shall consist of an appropriation totaling \$28,358,000 to the State Board of Education from the Uniform School Fund.

Amended by Chapter 264, 2000 General Session

**School Building  
Expenditures**

School Building allocation for FY 2001 is represented in the following table as provided by the Utah State Office of Education:

<b>BASE GUARANTEE--Capital Facilities Aid Based on Local Tax Yield Guarantee--FY 2000-01</b>									
	Prior Year	Current Year						Percent of	
	Derived Valuations	Capital Outlay	Current					Capital Outlay,	
	(Prior Year Current	Debt and	Year Tax	Collection	Local Tax	Prior Year	Yield per	Debt and Voted	
	Collections Divided by	Voted Capital	Rate up to	Rate	Rate	ADM's	ADM	Capital Levy to	State
District	Prior Year Tax Rates)	Total Levies	0.002400	5 Yr Avg	Yield		Local	0.002400	Guarantee
	(FY 1999-00)	(FY 2000-01)	Levy		@ 0.002400	(FY 1999-00)	Generation	Tax Rate	on 0.0024 Levy
					(C2x0.2400xC5)		(C6/C7)	(C4/0.002400)	\$22,686,400
1	2	3	4	5	6	7	8	9	10
1 Alpine	\$6,497,741,876	0.003042	0.002400	100.00%	\$15,594,581	45,988	339.10	100.0%	\$4,826,765
2 Beaver	421,166,813	0.004071	0.002400	100.00%	1,010,800	1,418	712.84	100.0%	0
3 Box Elder	1,856,372,348	0.003206	0.002400	100.00%	4,455,294	11,001	404.99	100.0%	429,790
4 Cache	1,679,721,016	0.002610	0.002400	100.00%	4,031,330	13,080	308.21	100.0%	1,776,950
5 Carbon	1,138,413,902	0.002675	0.002400	100.00%	2,732,193	4,493	608.10	100.0%	0
6 Daggett	140,952,157	0.001648	0.001648	100.00%	338,285	169	2,001.69	68.7%	0
7 Davis	8,523,687,585	0.003024	0.002400	100.00%	20,456,850	58,706	348.46	100.0%	5,612,026
8 Duchesne	522,032,221	0.003136	0.002400	100.00%	1,252,877	4,190	299.02	100.0%	607,726
9 Emery	1,477,911,736	0.003798	0.002400	99.81%	3,540,249	2,936	1,205.81	100.0%	0
10 Garfield	265,113,142	0.004082	0.002400	100.00%	636,272	1,122	567.09	100.0%	0
11 Grand	505,275,680	0.003221	0.002400	100.00%	1,212,662	1,592	761.72	100.0%	0
12 Granite	14,476,881,177	0.002779	0.002400	100.00%	34,744,515	69,755	498.09	100.0%	0
13 Iron	1,471,358,391	0.004126	0.002400	100.00%	3,531,260	7,075	499.12	100.0%	0
14 Jordan	13,023,539,726	0.004288	0.002400	100.00%	31,256,495	72,706	429.90	100.0%	1,029,195
15 Juab	353,941,515	0.004652	0.002400	100.00%	849,460	1,805	470.61	100.0%	0
16 Kane	456,493,367	0.002395	0.002395	100.00%	1,095,584	1,374	797.37	99.8%	0
17 Millard	2,147,006,949	0.002249	0.002249	100.00%	5,152,817	3,552	1,450.68	93.7%	0
18 Morgan	447,391,125	0.002237	0.002237	100.00%	1,073,739	2,035	527.64	93.2%	0
19 Nebo	2,797,814,175	0.003945	0.002400	100.00%	6,714,754	20,459	328.21	100.0%	2,370,231
20 No. Sanpete	335,124,838	0.002081	0.002400	100.00%	804,300	2,497	322.11	100.0%	304,514
21 No. Summit	251,530,379	0.002303	0.002303	100.00%	603,673	1,007	599.48	96.0%	0
22 Park City	3,909,028,522	0.002038	0.002038	100.00%	9,381,668	3,897	2,407.41	84.9%	0
23 Piute	40,831,236	0.003714	0.002400	100.00%	97,995	362	270.70	100.0%	62,754
24 Rich	220,833,342	0.002736	0.002400	100.00%	530,000	503	1,053.68	100.0%	0
25 San Juan	385,410,169	0.004119	0.002400	100.00%	924,984	3,319	278.69	100.0%	548,845
26 Sevier	707,587,141	0.003994	0.002400	100.00%	1,698,209	4,585	370.38	100.0%	337,797
27 So. Sanpete	285,922,283	0.003798	0.002400	100.00%	686,213	2,792	245.78	100.0%	553,597
28 So. Summit	889,435,993	0.002860	0.002400	100.00%	2,134,646	1,279	1,669.00	100.0%	0
29 Tintic	22,175,392	0.005001	0.002400	95.93%	51,055	301	169.62	100.0%	82,607
30 Tooele	1,396,792,188	0.002605	0.002400	100.00%	3,352,301	8,758	382.77	100.0%	536,760
31 Uintah	1,290,136,537	0.002000	0.002000	100.00%	3,096,328	6,160	502.65	83.3%	0
32 Wasatch	1,229,527,078	0.002207	0.002207	100.00%	2,950,865	3,624	814.26	92.0%	0
33 Washington	4,125,155,009	0.003584	0.002400	100.00%	9,900,372	18,675	530.14	100.0%	0
34 Wayne	142,354,978	0.002726	0.002400	100.00%	341,652	567	602.56	100.0%	0
35 Weber	3,816,821,059	0.002400	0.002400	100.00%	9,160,371	27,893	328.41	100.0%	3,225,743
36 Salt Lake	12,184,469,902	0.001674	0.001674	98.99%	28,947,376	24,944	1,160.49	69.8%	0
37 Ogden	2,179,359,227	0.002653	0.002400	100.00%	5,230,462	12,637	413.90	100.0%	381,100
38 Provo	2,852,143,660	0.002400	0.002400	100.00%	6,845,145	13,349	512.78	100.0%	0
39 Logan	1,341,390,801	0.003095	0.002400	100.00%	3,219,338	5,824	552.77	100.0%	0
40 Murray	2,153,192,151	0.001309	0.001309	100.00%	5,167,661	6,569	786.67	54.5%	0
Total/Average	\$97,962,036,786	0.003012		100.00%	\$234,804,631	472,998	496.42	100.0%	\$22,686,400

School Building allocation for the School Building emergency needs program for FY 2001 is represented in the following table as provided by the Utah State Office of Education:

FY 2000-01 Emergency School Building Needs Program							
	Need Factors		Effort Factors		Ability Factor (x2)	Z Scores	
	Sum of		3-Year	Percent of	3-Year Average	Sum	Total
	Both	Total	Average	0.002400 Levy	of Assessed	Minus	Amount
	Growth	Students in	Total	Spent on	Valuations	Standard	to Districts
District	Factors	Alternative	Local School	Bonds	per ADM	Deviation	\$5,671,600
	Over 3 Yrs	Housing	District Levy	Over 3 Years			
1	2	3	4	5	6	7	8
1 Alpine	3.8%	10,788	0.006299	112.5%	\$133,699	2.90	\$1,912,713
2 Beaver	-2.7%	138	0.006100	92.3%	267,092	(4.28)	0
3 Box Elder	-1.9%	159	0.006178	90.6%	160,862	(2.99)	0
4 Cache	-0.4%	689	0.006922	117.8%	120,585	(0.64)	0
5 Carbon	-6.8%	473	0.006113	43.9%	233,301	(5.91)	0
6 Daggett	-8.2%	0	0.004702	52.9%	826,024	(13.56)	0
7 Davis	0.1%	10,106	0.007456	112.5%	136,673	2.94	1,940,242
8 Duchesne	-4.9%	120	0.007393	8.8%	134,570	(4.13)	0
9 Emery	-10.7%	236	0.006637	62.0%	483,790	(8.44)	0
10 Garfield	-3.6%	73	0.007765	174.6%	228,306	(0.49)	0
11 Grand	-2.5%	95	0.006531	65.4%	308,170	(4.85)	0
12 Granite	-3.6%	6,860	0.006182	0.0%	198,371	(3.59)	0
13 Iron	3.0%	21	0.007634	122.9%	200,763	(0.05)	0
14 Jordan	0.0%	11,073	0.006881	75.4%	173,676	1.42	937,471
15 Juab	0.9%	50	0.007593	129.5%	196,682	(0.38)	0
16 Kane	-7.1%	26	0.004630	78.2%	317,499	(7.67)	0
17 Millard	-6.8%	25	0.005210	57.4%	620,551	(10.54)	0
18 Morgan	-1.3%	17	0.005610	39.9%	204,346	(5.09)	0
19 Nebo	5.2%	1,624	0.006731	89.8%	133,416	0.00	3,235
20 No. Sanpete	-1.8%	705	0.006347	101.5%	117,878	(1.91)	0
21 No. Summit	1.9%	0	0.006514	45.7%	262,558	(3.89)	0
22 Park City	5.9%	70	0.006057	64.2%	937,394	(9.72)	0
23 Piute	-4.6%	0	0.006451	64.7%	109,600	(3.47)	0
24 Rich	-4.6%	0	0.006093	58.7%	412,209	(7.02)	0
25 San Juan	-6.1%	70	0.008469	55.1%	133,540	(2.22)	0
26 Sevier	-4.5%	470	0.005959	80.8%	153,014	(3.85)	0
27 So. Sanpete	-5.0%	640	0.008075	172.5%	93,878	1.00	663,172
28 So. Summit	0.8%	100	0.005591	54.8%	752,575	(9.74)	0
29 Tintic	-10.3%	40	0.008571	124.5%	100,950	(1.16)	0
30 Tooele	9.7%	1,000	0.006859	74.7%	161,562	0.33	214,766
31 Uintah	-4.5%	240	0.005819	0.0%	197,914	(6.43)	0
32 Wasatch	3.6%	343	0.005416	76.2%	302,504	(4.17)	0
33 Washington	-0.1%	1,317	0.006982	111.1%	203,010	(1.29)	0
34 Wayne	-1.3%	0	0.004529	44.6%	242,710	(6.47)	0
35 Weber	-0.9%	2,170	0.006003	94.5%	131,078	(1.85)	0
36 Salt Lake	-1.7%	998	0.005963	17.8%	433,048	(7.31)	0
37 Ogden	-0.2%	1,092	0.007811	21.8%	164,706	(2.28)	0
38 Provo	-2.1%	861	0.006335	105.8%	203,095	(2.70)	0
39 Logan	-1.8%	211	0.006700	60.6%	208,862	(3.59)	0
40 Murray	-4.4%	6	0.005167	0.0%	311,371	(8.30)	0
Total	0.0%	52,906	0.006457	62.4%	196,584		\$5,671,600

School District bond principal and interest costs for FY 1998 through FY 2000 are shown in the following chart:

<b>Three Year Average of Bond Principal and Interest</b>			
FY 1998 Through FY 2000			
	FY 1998	FY 1999	FY 2000
	Dollars	Dollars	Dollars
	Spent on	Spent on	Spent on
	Redemption	Redemption	Redemption
District	and Interest	and Interest	and Interest
	of Bonds	of Bonds	of Bonds
1	2	3	4
1 Alpine	\$15,488,799	\$17,119,928	\$18,364,747
2 Beaver	806,874	806,213	1,076,252
3 Box Elder	3,922,803	3,967,083	4,014,711
4 Cache	4,546,057	4,440,688	4,651,869
5 Carbon	1,156,927	1,157,772	1,157,267
6 Daggett	193,055	188,655	188,964
7 Davis	21,733,303	21,928,043	23,261,699
8 Duchesne	130,239	127,850	133,000
9 Emery	2,138,473	2,265,535	2,268,138
10 Garfield	1,334,591	1,104,965	986,129
11 Grand	564,785	1,171,454	826,910
12 Granite	0	0	0
13 Iron	3,192,654	4,989,930	5,069,438
14 Jordan	20,214,675	25,144,886	26,655,545
15 Juab	1,157,301	1,113,620	1,145,958
16 Kane	780,008	1,192,876	767,653
17 Millard	3,430,220	3,415,843	2,517,564
18 Morgan	439,288	366,797	403,295
19 Nebo	5,926,977	5,872,036	5,875,448
20 No. Sanpete	875,960	872,190	529,315
21 No. Summit	260,785	324,458	298,812
22 Park City	5,690,063	5,694,576	5,696,401
23 Piute	73,677	75,788	73,596
24 Rich	305,661	310,374	309,543
25 San Juan	647,908	623,532	619,981
26 Sevier	1,536,508	1,358,580	1,618,132
27 So. Sanpete	862,704	1,320,077	1,325,038
28 So. Summit	740,350	2,615,863	730,765
29 Tintic	95,868	94,068	97,168
30 Tooele	2,461,481	2,490,402	2,531,543
31 Uintah	0	0	0
32 Wasatch	1,362,396	2,452,714	2,517,886
33 Washington	9,748,306	10,526,613	11,454,471
34 Wayne	129,466	132,038	196,235
35 Weber	14,045,983	5,543,328	5,652,460
36 Salt Lake	3,764,717	4,897,631	5,862,681
37 Ogden	903,173	1,510,398	962,520
38 Provo	12,727,986	4,269,058	4,346,773
39 Logan	1,317,855	1,917,297	2,151,615
40 Murray	0	0	0
Total	\$ 144,707,876	\$ 143,403,159	\$ 146,339,522





